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CARTERET COUNTY

Overall Economic Development Plan

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CARTERET COUNTY

CEDP

as amended
February, 1963

OUTLINE OF THE CARTERET COUNTY OEDP

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OVERALL ECONOMIC DEVELOPMENT PROGRAM FOR CARTERET COUNTY, NORTH CAROLINA

I. REDEVELOPMENT AREA ORGANIZATION.

At a general meeting of the Carteret County Planning Commission and the County Development Committee on February 12, 1962, the County Planning Commission was designated the organization primarily responsible for local area development and preparation of an Overall Economic Development Program. It was also decided to utilize the County Development Committee as a special advisory group to the Planning Commission on area development problems. Present at the meeting were representatives of the Governor, the State Department of Conservation and Development, and the Federal Area Redevelopment Administration.

Listed below are the members of the Planning Commission and the Development Committee, representatives of the range of social, economic, and geographical distributions of the population, along with names of the communities they represent, their occupations, and other affiliations.

CARTERET COUNTY PLANNING COMMISSION

MEMBERS	COMMUNITY	OCCUPATION
Dr. L. J. Dupree, Chairman	Swansboro	Retired Dentist
Milton G. Coyle, V. Chairman	Atlantic Beach	Municipal Official
W. C. Carlton, Sec. Tres.	Morehead City	REA Manager
Dr. W. L. Woodard	Beaufort	Dentist
William B. McLean	Salter Path	Land Developer
C. H. Lockey	Newport	Civil Service
Mrs. E. H. Piper	Gloucester	Housewife
Wallace Conner	Newport	Farmer & Businessman
Clayton Fulcher, Jr.	Atlantic	Commercial Fish Dealer

CARTERET COUNTY DEVELOPMENT COMMITTEE

James R. Sanders, Chm.	Morehead City	Banking	Civic Organizations
Mrs. Novella Dunn, Sec.	Atlantic Beach	Business	Four-H Club
J. W. Young	Poletier	Farmer	Businessman
Charence Millis	Newport	Businessman	City Council
John G. Viser	Wildwood	Minister	Migrant Labor Chm.
Charles R. McNeil	Morehead City	Ports Exec.	Neuse Development Assn. Chairman
Mrs. Charles Stanley	Morehead City	Housewife	Home Demonstration
Gaston Smith	Atlantic	Fisherman	County Commission
H. L. Joslyn	Beaufort	Educator	--
Leroy Guthrie	Morehead City	Labor Leader	Pleasure Boats
Anthony Dudley	Morehead City	Businessman	Negro Leader

A. Technical Assistance

Since its initial organization in 1959 the Carteret County Planning Commission has used the technical planning and research services of the Division of Community Planning, Department of Conservation and Development. This agency has supplied qualified city planners to prepare the work of the commission and provide assistance on county development problems. In addition, the following technical personnel work in the county and provide assistance whenever requested.

Technical Advisory Personnel

R. M. Williams	Beaufort	County Agent, Agricultural Extension
I. M. Robbins	New Bern	Farmers Home Administration
B. J. May	Beaufort	Agricultural Stabilization
Floy Garner	Beaufort	Home Agent, Agricultural Extension
Maynard H. Owens	Beaufort	Soil Conservation Service
E. M. Foreman	Newport	County Forest Ranger
Harry Williams	Morehead City	Civil Defense Director
Albert Fulford	Beaufort	County Health Sanitarian
Phillip Ball	Morehead City	County Engineer - County Building Inspector

B. Legal Authority

Enabling legislation creating the Carteret County Planning Commission was ratified by the General Assembly on June 16, 1959. It was an act creating the Carteret County Planning Commission, providing for its organization, powers and duties and conferring upon the Board of County Commissioners and the governing body of the several municipalities in Carteret County the power and authority to adopt and enforce comprehensive regulations providing for the orderly growth and sound development of Carteret County. The Planning Commission was officially organized by the County Commissioners during October, 1959. "The Planning Commission in carrying out its functions may accept, receive, and disburse any funds or grants made available by the Federal Government and its agencies, the State Government and its agencies, the county or any municipality therein, and funds from private or other sources."

The powers and duties of the Planning Commission are "to make comprehensive studies of the present and future needs of the county with the general purpose of guiding and providing for the coordinated and orderly growth and sound physical development of the county that will best promote the health, safety, convenience, prosperity and general welfare of all the people within the county." More specifically the Planning Commission is entrusted with the responsibility for preparing a "Carteret County Development Plan," a zoning plan, subdivision regulations, a major highway plan, a resource plan, public facilities plan, building codes, and other general planning activities.

C. Past Accomplishments

The Carteret County Planning Commission has been working on different development plans since its organization. One of its first accomplishments was the preparation of Subdivision Regulations. After the severe hurricanes of 1960 the Planning Commission proposed the

adoption of windstorm codes to supplement the building code. And in order that the windstorm code and subdivision regulations be properly enforced, the Planning Commission recommended that the County hire a full time building inspector. All of these recommendations were passed by the Carteret County Commissioners and have been put into effect. Besides these regulatory measures, the Planning Commission has contracted with the Division of Community Planning to prepare a Land Use Survey, a Land Use Plan and a Zoning Ordinance. These are being prepared at the present time, and initial recommendations are being reviewed by the Planning Commission for adoption.

D. Organization for Financing Industrial Development

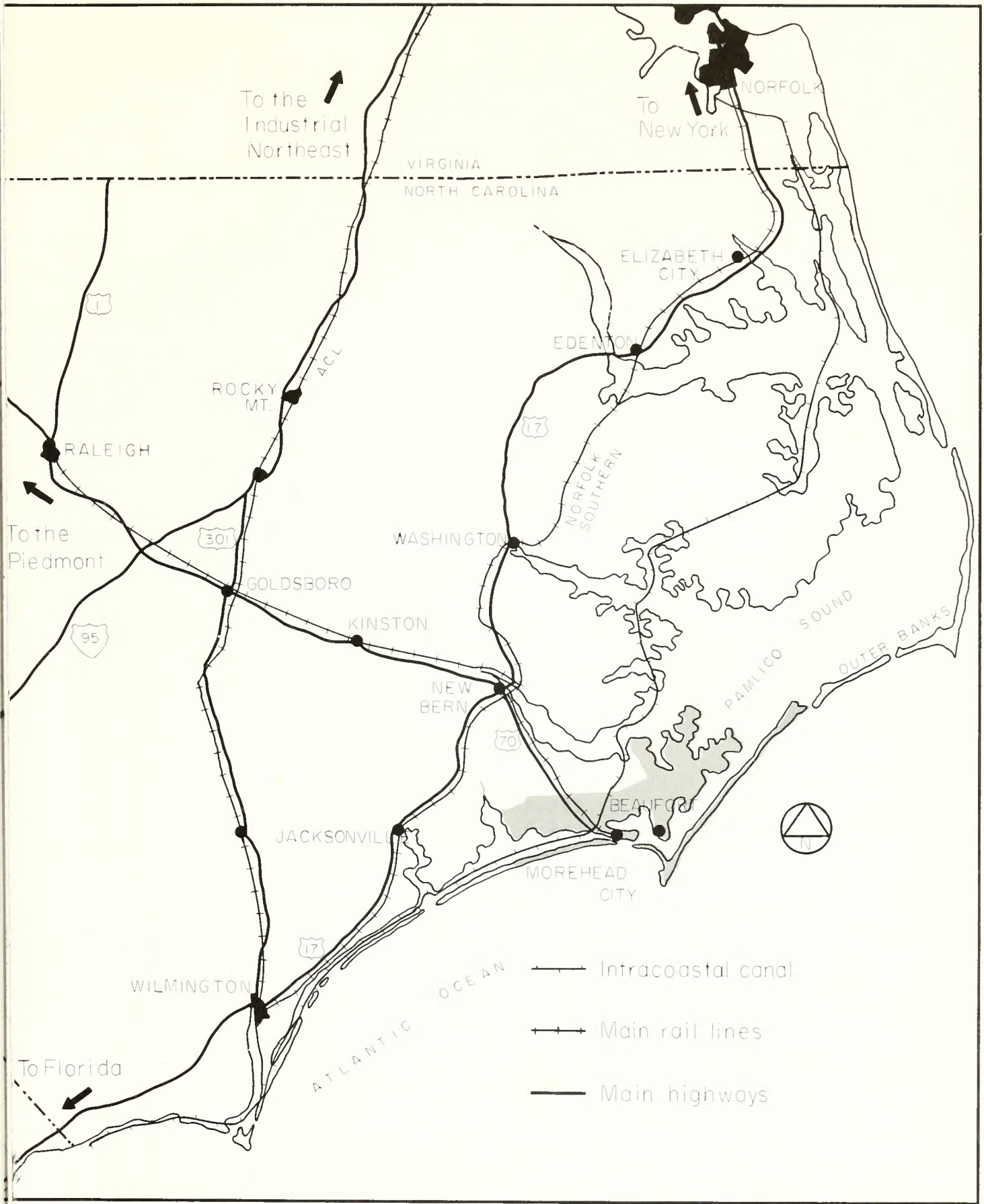
Although the Planning Commission may receive funds for the development of comprehensive plans for the counties, it is not empowered to secure capital for the acquisition of industrial sites or the construction of factory buildings. This function has been assumed by the Central Coastal Carolina Development Board, Inc., which is concerned only with the acquisition and development of industries within Carteret County. It is a corporation chartered under state law in 1960 to raise equity capital in order to attract business or manufacturing plants into the county. Capitalized at $100,000, it has pledges for over $40,000, and has raised approximately $25,000. Present plans are to erect for lease a medium-size, all-purpose building which will accommodate a small business employing approximately 100 persons.

Banking and loan facilities available within the county consist of three branches of First Citizens Bank and Trust Company and two branches of Wachovia Bank and Trust Company. Cooperative Savings and Loan Association maintains one branch in the County.

Wachovia Bank and Trust Company, with its headquarters in Winston Salem, North Carolina, has total assets of over 700 million dollars. It is well known for its interest in developing areas in need of economic assistance. First Citizens Bank and Trust Company with its home office in Smithfield, North Carolina has total assets of some 300 million dollars. Its branches are principally located in the eastern part of North Carolina and its management is familiar with the problems of its area and has been in the forefront of efforts to industrialize its economy. Cooperative Savings and Loan Association, with its home office in Wilmington, North Carolina, has total assets of 36 million dollars. Traditionally, it is a home builder institution, but regulations allow 15 percent of its loans to be in industrial properties. Generally, it is most interested in lending to commercial developments within its powers. Loan limits of all these institutions are well beyond the borrowing needs of any industry or business needs located in the county.

Loans made at any of the above named institutions are generally made at a rate of 5 to 6 percent, on secured or unsecured basis for short periods of time to suitable credit risks. Larger loans on secured basis are made for periods of three to five years by the banks, with monthly or other regular curtailments. Savings and loan associations will make funds available only on secured loans, generally at 6 percent and for periods up to 15 years. All secured loans made on real estate are generally made on the basis of not more than 60 percent of the appraised fair market value.

CARTERET COUNTY IN ITS REGIONAL SETTING



II. THE REDEVELOPMENT AREA AND ITS LABOR FORCE

A. General Description of Carteret County:

Carteret County is located on the Atlantic Ocean approximately in the middle of the North Carolina coast. Norfolk is 191 miles to the north, Raleigh is 145 miles west and Wilmington is 94 miles south. The County extends across ninety miles of lowlying forest and swamp and off-shore sand banks and has 615 miles of tidal shore line indented by bays, sounds and streams. Less than a fourth of all land consists of well drained soils and sands suitable for settlement and agriculture.

1. Land Use. Land use patterns point up the remoteness of the majority of the county areas, there being only 7.1 percent of the land area, or approximately 25,000 acres devoted to farming and pasture land. More than half of the land area of the County is in forest and woodland, generally producing products unsuitable for commercial use (approximately 10 percent usable). About one-fourth of all land, owned by national or state agencies, is in Croatan National Forest, military target ranges and outlying park areas. Drainage and flood control measures would make approximately 20 percent of the County usable.

CARTERET COUNTY LAND USE

Land Use	Acres	Percent of Total
Forest and Woodland	215,831	63.4%
--Croatan National Forest	56,169	
--Wooded Farm Land	22,669	
--Other Forest	136,993	
Idle, Abandoned, etc.	67,341	19.8
Federal & State (excl. Croatan)	27,150	8.0
Farm Land (excl. Wooded)	24,339	7.1
--Harvested Cropland	10,984	
--Other Farmland	13,355	
Urban & Built-up Land	4,227	1.2
Water Areas	1,592	0.5
Total	340,480	100.0%

The total land area of the County is 532 square miles or 340,480 acres. Most of the area (63.4%) is forest and woodland, or idle and abandoned land (19.8%). In 1959, harvested cropland on the County's 487 farms accounted for only 3.2 percent of the County's area. The climate is mild, with a mean average annual temperature of 57 degrees and annual rainfall averaging 55 inches.

Carteret County is a resort area and a base of operations for a major commercial fishing industry. The largest town, Morehead City (1960 population 5,583), has a deep-sea port and is the commercial

center for the County. Beaufort (1960 population 2,922), the County seat, is the third oldest town in North Carolina and is a center of the fishing industry. Atlantic Beach is the center of the County's summer resort activities.

2. Transportation. U. S. Highway 70 connects the built-up sections of the County with the rest of North Carolina and with U. S. Highway 17, a major southnorth east coast route, at New Bern, 34 miles from Morehead City. Seven major truck lines in the County provide overnight connections with eastern seaboard markets; their potential for the area is limited by the lack of a central warehouse terminal.

The County is served by the Southern Railway Company through its lease of the Atlantic and North Carolina Railroad Company tracks to Goldsboro. It has provided no passenger service since 1950, but serves the area with one incoming and one outgoing freight train daily (more when service demands). A small connecting line of 14 miles, the Beaufort and Morehead Railroad, provides service to Beaufort and its manufacturing plants.

Water transportation connections are provided by the North Carolina State Ports Authority Harbor Facility in Morehead City. It provides docking facilities for five ocean going freighters at its 2,500 foot steel and concrete wharf. Storage space is available for dry and liquid cargoes either outgoing or incoming. The east coast inland waterway bisects the County and provides direct shipping access to Norfolk or Florida.

The Municipal Airport at Beaufort is used by Piedmont Airlines for a dialy scheduled flight during the summer months. It connects in New Bern with National Airlines and in Raleigh with Eastern Air Lines.

3. Community Facilities. Carteret County has tens of miles of excellent beaches for swimming and sunbathing, woodlands for hunting, and the ocean for deep-sea fishing. Fort Macon State Park and a growing commercial complex stretching west from Atlantic Beach serve the rising numbers of summer tourists. A new Morehead City armory, to be completed in 1963, will augment local convention facilities.

The County has seven school districts which contain seven schools with grades 1 through 12 and three schools with grades 1 through 8. A site for a new consolidated high school to serve most of the central and western parts of the County has been purchased, and additional consolidations in the eastern part of the County are under consideration. There are two hospitals in the County: a modern, ninety-two bed private, community hospital at Sea Level in the eastern part of the County, and the seventy-five bed Morehead City Hospital. A new forty bed children's hospital is being added to the Sea Level hospital, and construction of a new Morehead City hospital is being contemplated at a site more central to the County.

The North Carolina Institute of Fisheries and the North Carolina Division of Commercial Fisheries are located at the western edge of Morehead City. The Institute conducts research in marine life, and the Division of Commercial Fisheries is charged with enforcement of fishing laws. The Fish Biological Laboratories of the U. S. Department of Interior Bureau of Commercial Fisheries and the Marine Laboratory of Duke University are located on Pivers Island near the causeway connecting Beaufort and Morehead City.

4. Public Utilities. The Carolina Water Company owns and operates water and sewerage services within Morehead City and Beaufort. Untreated sewage is now discharged into sounds near the towns. Negotiations are underway by the towns for purchase of the facilities. Newport operates its own municipal water system but lacks a sewerage plant, while Atlantic Beach and nearby areas obtain water from a privately owned firm and use septic tanks for sewage.

Electric power is provided for about 8,000 customers in urban and eastern parts of Carteret County by the Carolina Power and Light Company, which also provides power for the Carteret-Craven Electric Membership Corporation (REA) serving 4,300 customers in the remainder of the County. Bulk or measured gas tank service is provided by four private gas firms, but the area lacks a central source of natural or manufactured gas.

B. Population and Labor Force Trends

For two centuries Carteret County grew in isolation from the mainland. Seagoing pursuits of whaling, fishing, boat building, and the West Indies trade were supplemented by marginal agriculture. To the north, east and south was the sea and to the west a vast marsh. After roads, bridges, and causeways had spanned the marsh, the relative isolation continued until World War II brought about the establishment of major Marine military bases nearby. Auxiliary military air bases and expanded Coast Guard installations within the County created additional jobs.

PAST POPULATION FOR CARTERET COUNTY, MOREHEAD CITY, AND BEAUFORT

Year	Carteret County	Morehead City	Beaufort
1910	13,776	2,039	2,483
1920	15,384	2,958	2,968
1930	16,900	3,483	2,957
1940	18,284	3,695	3,272
1950	23,059	5,144	3,212
1960	27,438*	5,583	2,922

*corrected

The significant increase in new population during and after the war brought a large overall expansion of income and increased the demand for new commercial and professional services. After the war, the wide spread ownership of private automobiles and good roads which stretched from the populated interior of the state to the coast brought vacationers to Carteret County beaches and fishing grounds. Between 1940 and 1950 the County had more than a thousand inmigrants above natural growth. Employment for men increased by 41 percent -- from 3,963 to 5,574 -- and employment for women increased by 68 percent -- from 970 in 1940 to 1,634 in 1950. Industries accounting for most of the gain were public administration, construction, and retail trade.

The growth trend has been reversed since 1950. From 1950 to 1960 employment for men in the County increased by only one percent -- from 5,574 to 5,635. A loss of 1,193 jobs for men in fisheries, farming, and lumber processors was barely exceeded by gains in government and commerce, but unemployment nearly doubled in that time. Jobs for women, generally housewives supplementing family income, increased by nearly half during the decade -- from 1,634 in 1950 to 2,433 in 1960 -- due to gains in commercial and professional services. In 1960, more than one out of eight Carteret County residents who worked was employed outside the County, mostly at Cherry Point Marine Air Station.

Census reports show that the County population increased from 23,059 in 1950 to 30,940 in 1960, but this is misleading. Dr. Howard G. Brunsman of the U. S. Bureau of the Census said that the 1960 figure includes 3,502 men on eleven naval vessels which happened to be passing offshore when the census was taken and were counted as Carteret County residents, although they did not approach the County shore. The corrected 1960 figure, then, is 27,438.

OUTMIGRATION FROM CARTERET COUNTY, 1950-1960

	Total	White	Nonwhite
1950 Population	23,059	20,150	2,909
1950-60 Natural Increase	4,956	4,241	715
1960 Expected Population	28,015	24,391	3,624
1950-60 Net Migration	-577	-556	- 21
1960 Population	27,438	23,835	3,603
Percent Population Change	19.0%	18.3%	23.9%
Percent Net Migration	-2.1%	-2.3%	-0.6%

The computed natural increase for Carteret County is 4,956 persons per decade in contrast to an actual 1950-60 increase of only 4,379. This indicates that 577 persons left the County. A further detailed check of age groupings for each decade shows that there was a net out-migration from the County of 463 young men between the ages of 15 and 30. This is basic evidence that there were insufficient employment opportunities to hold young adults in the area.

C. Unemployment Characteristics.

The North Carolina State Employment Security Commission estimated that in March, 1960, there were 1,475 unemployed persons in Carteret County -- 19.9% of the civilian work force. In March 1961, this high rate had dropped only to 1,150 -- 15.5% of the civilian work force. In February, 1962, unemployment was 1,225 -- 16.2% of the civilian work force. There has been no increase in new jobs of a stable, non-seasonal nature. Consequently, Carteret County continues to have one of the State's highest unemployment rates, one much higher than that for the nation.

1. Inadequate Employment Opportunities for Men. In order for an economy to expand at a rate adequate for its base population, additional jobs are needed for heads of households and other male entrants into the labor force. From 1940 to 1950, employment gains of 1,611 jobs for men were adequate to absorb a drop of 541 in unemployment, add additional new jobs for 470 men needed in normal population expansion, and attract an additional 600 men beyond the County's normal growth; this attracted more than a thousand inmigrants. During the last decade a normal population expansion would have produced a labor force increase of about 580 men. Net employment gains for men totaled only 61, however, so unemployment increased by 247, and the additional surplus migrated out.

Since 1960, the number of high school graduates and other young men entering the labor force have increased. There has been no increase in new jobs for men, however. On the other hand, there has been a slight drop in overall unemployment, indicating that out-migration of young adults may be increasing.

2. Who Are the Unemployed? In 1960, U.S. Census data showed that 10.0% of unemployed males in Carteret County had not held jobs previously. Of the unemployed with work experience, 12.7% were white collar workers, including businessmen whose businesses were off-season. Craftsmen and operatives made up 38.2% of the total, and 49.1% were unskilled laborers and service workers. Since the census was taken in the fisheries' off-season, nearly half of the unemployed males were from that industry. The seasonal nature of employment in the County produces high unemployment rates for much of the year in even normal times.

In 1960, 1,651 of the 2,625 women in the Carteret County labor force were married and with their husbands. Most women enter the labor force to supplement family incomes or when the household head is unemployed. If job opportunities are lacking, many women withdraw from the attempt to secure employment and are not counted in the labor force. Nationally about 35% of women ages fourteen and over are in the labor force. In Carteret County, which has a very high unemployment rate, only 27% are in the labor force. If jobs were available it is reasonable to assume that the rate would be much higher. In relatively prosperous 1950, 16.3% of white females and 10.8% of nonwhite females in the labor force were unemployed, and in 1960 the figures were 26.0% and 15.8%, respectively. The 1960 census showed that 23.5% of County women who were actively

seeking employment had held no previous jobs, an indication of pressures for higher and more regular family incomes. Of those unemployed women with work experience, 32.1% were clerical of sales workers, 32.7% were private household workers (many of whose husbands are unskilled workers employed in seasonal industries), and 29.4% were service and other unskilled workers. Nonclerical or sales, white collar workers accounted for the remaining 5.9%.

3. Seasonal Unemployment in Carteret County. The seasonal nature of unemployment is shown from the data below, from the North Carolina State Employment Security Commission:

UNEMPLOYMENT IN CARTERET COUNTY FOR SELECTED MONTHS, 1961-62

Date	Total Labor Force	Unemployed	Percent Unemployed	Insured Unemployed	Percent Insured Unemployed
6-'61	8,095	690	8.5%	259	7.6%
12-'61	7,475	635	8.5	302	8.3
2-'62	7,540	1,225	16.2	636	18.4
4-'62	7,365	1,075	14.6	591	18.0
6-'62	7,990	670	8.4	261	7.7
8-'62	7,780	480	6.2	164	5.0
10-'62	7,030	400	5.7	158	5.1

Employment in Carteret County is concentrated in seasonal industries such as the tourist trade, fishing industry, agriculture, and apparel manufacturing. Peak employment periods for these industries is generally during the summer months, leaving the winter period with the greatest amount of unemployment. An explanation of the seasonal period for each industry is contained below:

a) Fishing Industry: Carteret County is the base for the State's menhaden industry, which is at its peak in November and December and from May through August.

Other fisheries seasons are:

Oysters	October-February
Shrimp	May-November
Scallops	December-April
Soft Crabs	April-May
Hard Crabs	All Year
Finfish	All Year

b) Tourist Trade: The major season for tourists is from June 1 to September 1. Employment in retail trade and services usually rises by 175 full time workers in June.

c) Agriculture: Vegetables are harvested from June to August annually, with employment increasing to a peak of 1,050 as against 430 in December, February , and April. In past years, local labor was recruited for this period but now some 500 migrant farm workers from outside the area are employed annually.

d) Apparel Manufacturing: Seasonal peaks in this industry precede Christmas and other market peaks.

e) Construction: Despite the area's mild climate, activity is greatly curtailed during the winter months.

f) Personal Services: This is mainly household work which increases during the summer vacation months.

g) Fish products industry: employment peak: April-June.

h) Foods industry: Peak in December. Recent total employment figures include:

December,	1961	630 Workers
February,	1962	280 Workers
April,	1962	215 Workers
June,	1962	330 Workers

D. Income and Style of Life

1. Per capita income of Carteret County residents in 1959 was $1,295, more than 30 percent below the national level of $1,853. Despite this general lag of prosperity behind the nation, there was a rise in real income of 54 percent in the County during the past decade. Poverty, however, continues to be a reality -- 2,407 families in 1959 had total incomes under $3,000. This is 35.0% of all families, compared with only 21.4% of the nation's families with such low incomes.

2. Education has made great strides in the County, and in just twenty years, from 1940 to 1960, the percent of adults with at least a high school education rose from 9.7% to 34.4% for males and from 13.2% to 39.2% for females. More than ten percent of all adults, however, have had less than a fifth-grade education, a considerable handicap in obtaining employment with an adequate income.

3. The condition of housing compares unfavorably with national levels. In 1960, 27.2% of all housing units were substandard (dilapidated or lacking a normal complement of plumbing facilities), compared to 18.2% for the nation. The median value of owner-occupied dwellings was only $6,300, less than two-thirds the national median of $9,700.

4. Sewage disposal is a major deterrent to an adequate style of life. In 1960, only 27% of all housing units were served by public sewerage systems; 56% had septic tanks or cesspools; and 1,622 housing units -- 17% -- lacked all of the above. If the County is to attract tourist and further residents, this major problem should be solved.

5. Public Welfare obligations during the 1960-61 fiscal year totaled $559,000. The average number of children receiving support under the Aid to Dependent Children Program was 495 during 1959-60.

E. Projected Need for New Jobs

A projection of the County population, based on birth, death, and migration trends by age, race, and sex, has been made on the IBM 650 computer. It shows that total population may be expected to grow from 27,438 in 1960 to 32,052 in 1970. If both males and females continue to participate in the future labor force at present rates, then employment must rise from 8,068 in 1960 to 9,949 in 1970, a rise of 1,881 jobs, allowing for normal unemployment. The percentage increase in employment exceeds that for total population because of a large increase in children who will be completing school and entering the labor force. Male children ages 5-14 increased from 2,212 in 1950 to 3,110 in 1960. This alone is evidence of a rising need of jobs during the coming decade. From 1950 to 1960 the number of young males ages 15-24 was expected to increase by nearly 500, but heavy out-migration resulted in a net gain of only 61, which is, coincidentally, the same number as the increase in all jobs for males. The above projection allows for continued out-migration. Unless there is considerable employment expansion, the rate of out-migration will increase by a large margin.

III. THE AREA ECONOMY: STAGNATION FACTORS AND BASES FOR FUTURE GROWTH

A. Summary

Total employment in Carteret County expanded from 4,933 in 1940 to 7,208 in 1950, but only to 8,068 in 1960. Two activities accounted for most of the growth: establishment of major military installations in adjacent counties, adding more than a thousand civilian jobs; and tourism, whose growth is reflected in growth of more than a thousand jobs in retail trade alone. Traditional fishing and fish products industries have continued to play important roles in the area's economy, but the seasonal nature of the industries has led to an overall decline in their employment. The County's largest manufacturer, a boat building firm, went out of business, eliminating 250 jobs for men. Relatively small agricultural and lumber industries have contributed to stagnation through declining employments. Two apparel factories have expanded, but their low skill and income levels are not factors for important growth. Tourism has expanded considerably, but its seasonal nature contributes to off-season unemployment. Growth of the military establishments was the basis for much of the past economic expansion of the County but has stabilized, requiring that future expansion be sought in other activities.

Bases for future growth include: 1) research into commercial fisheries - commercial possibilities of new aspects of fish, of regularizing and 'farming' species in demand, of better techniques for processing fish, and of expanding the market for local production; 2) expansion of tourism - additional facilities for vacationers, conventions, and senior citizens, and good County planning for optimal land use; 3) the Port of Morehead City - expansion of facilities, expansion of traffic, and encouragement of port-related new industries.

B. Civilian Employees at Nearby Military Installations

The largest employer of Carteret County workers and the biggest factor in the County's economic growth for the past twenty years has been the Cherry Point Marine Air Station in adjacent Craven County which, in November 1961, employed 1,149 Carteret civilian residents. In addition, Camp Lejeune, a Marine base in adjacent Onslow County, employed more than 300 Carteret residents. More than 400 military base personnel and their dependents residing in Carteret County. Yet this source of rapid employment expansion which began in World War II can provide no guarantee of continued growth or stability, nor even its continued existence in the area. Nationally and locally the military trend has been toward a stable or reduced civilian work force, thus compelling local economies, dependent on military bases for new employment, to expand in other sectors or else face increased unemployment and out-migration, particularly of young adults entering the labor force. Therefore, the heavy economic commitment of Carteret County to its nearby military bases is an imponderable factor, and future growth must be sought in other activities.

C. Fisheries and Fish Products

Fisheries, a traditional mainstay of the Carteret County economy has declined sharply in employment from 1,102 in 1950 to only 542 in 1960. Many small entrepreneur fishermen have dropped out because of increased capital investment requirements, increased costs, low or uncertain prices, foreign competition, and inability to compete with the large fleets which are under contract to supply major outlets. Mechanization has reduced the demand for unskilled labor. Employment is uncertain and seasonal, income is low, and unemployment is endemic in the County's fishing villages in off-seasons.

Besides this general decline in the fishing industry bad weather during the 1962 menhaden fishing season had a serious effect on the industry and upon the Carteret County economy. The U.S. Fish and Wildlife Commercial Fishery Statistics Office, located in Beaufort, has stated that the catch for the 1962 season was only 39% of the previous four year average, and that a total of 1,100 persons were out of work during part of the season from November 23rd on. Estimated revenue not earned was $1,520,000 in products, $650,000 in earnings to fishermen, and $830,000 in earnings to plant workers. This was a loss of $3,000,000 to the Carteret County economy.

The consumption of fish throughout the nation is booming, and the fishing grounds near the county contain almost unlimited resources which can be harvested. Yet, too little is known about anticipating and determining the location of a target species of fish or shellfish, about the market potential of many common species, or about optimal processing techniques for the different species.

There are six processors of frozen and packaged fish in Carteret County and six other firms which process menhaden for oils, animal food, fertilizer, and other products. Like the fisheries industry, however, the fish processing industry is seasonal, labor-intensive, uncertain of supply, and fiercely competitive. Yet, the market for processed fish and for research into new products from fish remains relatively untapped. Given the benefit of research into processing technology, adequate financing, and well organized market research, potentialities for expansion of the County's fish-processing industry are considerable.

D. Tourist Trade

Relative to the nation, Carteret County had 10 percent fewer employees in retail trade in 1950, but by 1960 the County's proportion was 31 percent greater than that of the nation. Total employment increased from 958 to 1,574. Higher local income levels and expansion of military and other basic activities are insufficient to account for the increase. The Travel Council of North Carolina reported that $6,653,000 was spent in the County by customers at tourist and recreation businesses in 1960; these businesses employed more than 600 persons and had a payroll of some $1,616,000. In 1961 the County had 19 boat launching areas, 3 deep sea fishing boats, 21 Gulf Stream boats, 25 motels, 4 hotels, and 11 fishing piers. The Greater Morehead City Chamber of Commerce expected 7,000 delegates to conventions in the County from March 30 to November 11, 1962, with expected direct

expenditures of some $422,000. A new armory in Morehead City, to be completed in 1963, will augment facilities available for conventions. A major convention hall is needed in the future.

Unfortunately, a large part of tourism employment is seasonal, and many of the workers are entrepreneurs and nonresidents. Further, most of the jobs created are for women rather than men.

Carteret County's mild climate, extensive beaches, and excellent fishing and hunting, are already being developed into a multi-million dollar industry. Short-season businesses and cottages are giving way to permanent year-round businesses and residences, and a small but significant in-migration of adults over age 45 has occurred during the past decade. The communities of Sea Level and Gloucester in the eastern part of the County have a range of facilities expressly for retired persons. Leisure activities are expanding as the general population gains in real income and has more free time for recreation.

In the past, too great a reliance has been placed on fishing as an attraction for tourist. Activities amenable to whole-family participation are needed, as are organized centers for activities of senior citizens. The Intracoastal Waterway extends virtually the length of Carteret County past good sites for well-developed marinas. Historic sites, excepting the Fort Macon State Park, have a potential for development, particularly in Beaufort. Finally, extension of the Cape Hatteras National Seashore Park to Portsmouth Island and Shackelford Banks could broaden the base of tourism for the entire North Carolina coast.

E. Boatbuilding

Until recently, the largest industry in the County was the Morehead City Shipbuilding Corporation which, at its peak in 1958, employed 250 workers in producing shrimp trawlers on an assembly line basis. Bankruptcy of the firm was a severe blow to the area, since local men who had been employed were skilled in traditional crafts and were using local materials.

F. Forest and Lumber Products

Carteret County's commercial forest land exceeds 200,000 acres, part of which are in Croatan National Forest. The County's forestry growth is widespread and consists of a variety of species, some of which are uniformly distributed, and a few occupy the better soils. Its present and potential value of importance are strengthened by an average annual rainfall that exceeds 50 inches and is evenly distributed throughout the year.

Carteret County's Forestry Growing Stock

Pure 10" and over d.b.h.		345,000,000 bd. ft.
Gum, maple, yellow poplar 10" and over d.b.h.		56,100,000 bd. ft.
Oak and other hardwood 10" and over		4,500,000 bd. ft.
	Total	405,600,000 bd. ft
Pine 9" to 14.9" d.b.h.		255,000,000 bd. ft.
Pine 15" to 18.9 d.b.h.		79,200,000 bd. ft.
Pine 19" and over		10,800,000 bd. ft.
	Total	345,000,000 bd. ft.
Pulpwood-soft woods, yellow pine, etc.		1,635,000 cds.
Pulpwood-hard woods, maple, oak, hickory,etc.		319,000 cds.
		1,954,000 cds.

The Carteret County Agricultural Extension Program estimated the 1956 income from forestry at $666,000-$360,312 from 30,026 cords of pulpwood and $306,000 from 17 million board feet of lumber. The estimated 1961 income from forestry products of $1,782,000 was nearly three times as much primarily from 145,000 cords of pulpwood at $1,582,000.

From 1950 to 1960 there was a decline from 200 to 65 in employment in small, marginal saw-mill operations in the County. Good forestry management, while it may not constitute a growth factor, can provide a stabilizing influence on the local economy.

G. Apparel Manufacturing

The County's two apparel firms have recently increased employment to about 400. Nevertheless, virtually all of these jobs are low-income, low-skill positions held by women; they constitute only a supplement for family incomes and do not provide a basis for growth.

H. Agriculture

Agriculture brings from 2½ to 3 million dollars into Carteret County's economy every year. Although not a dominant industry, it is relatively stable in terms of employment and income. The number of farms within Carteret County has declined steadily since 1945 but not as fast as the rate for the whole State. The average size of farms is 100 acres, which is larger than the State average. Approximately 35 percent of all farmers worked away from their farms 100 days or more during the year, and 52.4 percent of all farmers received most of their income from nonagricultural sources. In both cases this is far above the average for the State. The value of farm property, i.e. land and buildings, is above the average for the State when related to the number of acres within each farm but it is below the State average. (See data on the following page.)

AGRICULTURAL DATA SUMMARY FOR CARTERET COUNTY

	1945	1950	1954	1959
Decrease in farms due to change in farm definition 1954 to 1959				44
Number of Farms	1,085	614	667	487
% real change		-43.4	+8.6	-20.4
% for the State		0.4	-7.2	-22.6
Average farm size (A)	56.2	92.9	119.1	99.8
Average for the State	64.8	67.0	68.2	83.4
% farmers work away 100+ days	15.0	24.4	38.7	34.5
% for the State	13.3	20.8	25.1	26.6
% farmers most income non-agricultural	21.3	25.9	43.2	52.4
% for the State		26.9	26.7	33.8
Value of Farm Property:				
per farm (land, bldgs.)	$2,730	$6,538	$10,247	$23,255
for the State	3,490	6,490	8,059	14,685
per acre of farms	$49.	$77.	$91.	$170.
for the State	54.	99.	128.	193.
Agricultural Products Sold:				
Average per farm	$1,519	$2,531	$3,564	$5,069
Average for the State	1,701	1,929	2,737	4,184
All products sold ($1,000)	$1,648,409	$1,554,279	$2,377,291	$2,468,678
Vegetables	236,340	205,416	233,381	314,169
Fruits, nuts	29,398	2,276	9,205	76,380
Forest, horticulture	17,293	41,811	18,250	64,862
Field crops (tobacco..)	1,042,772	1,064,423	1,629,442	1,356,065
Poultry products	145,083	60,517	107,136	183,075
Dairy products	52,365	28,606	130,640	242,000
Other livestock products	125,158	151,230	249,237	232,127

Source: U.S. Censuses of Agriculture.

Agriculture is a diversified industry in Carteret County, with farmers receiving about half of their income from tobacco and the other half from forests, fruits, vegetables, poultry, dairy and other livestock products. Except for 1957 and 1958, farm income from tobacco has remained about the same for the last ten years; it was $1,494,788 in 1951 and $1,435,959 in 1961.

Agricultural employment dropped from 887 in 1950 to 401 in 1960. Local, unskilled labor has been replaced by migrant labor for the seasonal harvests of vegetables. The scarcity of well-drained land in the County absolutely limits the extent to which agriculture (as well as urban construction) can easily expand; and, at present, the small amount of produce is inadequate for the development of food processing industries.

The Carteret County Agricultural Technical Committee at a meeting in Beaufort on July 5, 1962 recognized the following agricultural problems.

1. Farms throughout the County generally are not large enough for efficient operation.

2. Available land resources are not put to the most effective use.

3. Farmers do not realize the need for soil conditioning.

4. The forestry program needs to be improved.

5. There is a need for expanding the existing food processing industries and starting new ones.

6. Methods of minimizing the damage of wind and water from serious coastal storms are needed.

7. Better cooperation between farmers and other industry groups in the County is needed.

8. There are insufficient jobs for persons living on farms.

I. Port Activities

The excellent facilities of the North Carolina Ports Authority provide one basis for possible future growth. Expansion of facilities for the storage of grains and soybeans should make possible future increases in traffic and business. There may be some possibilities for expansion of wood resources and petroleum products into a chemical industry near the deep water harbor.

IV. AREA GOALS AND PROGRAMS

A. General Goals

Carteret County is working for the achievement of sustained economic growth and development of the area's physical environment, including facilities adequate to a satisfactory style of life for its citizens. Traditional modes of employment -- fisheries and fish products, forestry and lumber, boatbuilding, and agricultural industries -- have been inadequate to meet the area's needs. The location of two major military installations in the area contributed to past employment growth, but future growth must be based on a program of expansion in other directions. Although County planning and development organizations will continue to explore a wide range of possibilities for future growth, priorities are being assigned in this program to those goals which require the most immediate action and are most feasible at this time.

B. Sewage Disposal

One of the most important obstacles which must be removed in order that Carteret County can move forward economically is the lack of sewage disposal facilities. At the present time untreated sewage is discharged into the sounds. The whole economy is affected. Pollution of the sounds has a deleterious effect on nearby beach resorts and tourist boating and fishing; the fisheries industries are concerned over the pollution threat to nearby shellfish beds; potential industries may consider the area's utility services inadequate or require better quality of water for cooling or processing and outfall areas are downgraded for future land use purposes.

Negotiations are being made by Morehead City and Beaufort to purchase existing sewerage and water plants from the private firm which owns them. The discharge of untreated sewage is retarding the area's basic industries -- tourism and fisheries -- and preventing attraction of other industries. Therefore, it is imperative that a treatment plant and adequate disposal facilities be constructed. It is proposed that financing of such construction be made through a Federal public facilities grant, since the alternative of local financing is problematical and would, at best, delay construction and thereby retard overall economic progress.

The Town of Newport has no public sanitary sewer facilities at this time. Residences and commercial and industrial establishments have septic tanks or privies. The Town has had plans drawn up for a system of sewer lines to cover the town limits including a secondary type sewage treatment plant. The municipality is preparing to vote on bonds for $270,000 to cover half the cost of the sewerage system and the construction of an additional pumping station to supplement the existing water works. Application is being made to the Federal government under the Accelerated Public Works Program for matching funds to cover the remaining cost. The construction of these utilities has a high priority in the area's goals for development and improvement.

C. Exploration of Fisheries Resources

There is a great need for exploratory fishing to determine the commerical potential and to delineate sources of promising species of fish. Different gear and different types of fishing need to be tested in order to determine the feasibility of their introduction and use by local fishermen. To assist in financing adequate exploratory studies, the County Exploratory Fisheries Committee, in cooperation with State Officials and scientists and the U.S. Bureau of Commercial Fisheries, is applying for an Area Redevelopment Administration Technical Assistance Grant. The costs of vessel charter, personnel, and equipment, total approximately $132,000.

D. Processing and Marketing of Fish Products

As a vital second step in bolstering the area's fisheries industry, a technical assistance grant is proposed which will cover research on the marketing and processing potential for local fishery products. At the present time the County's fishing industry is undeveloped at the dealer, packer, processor, and distributor levels. There is a general need to improve the markets for locally produced fishery products in order to raise the general level of income for fishermen and to create additional employment in the area. Funds are needed to support research and development programs aimed at long-run improvements in processing and marketing.

E. Tourist Trade

In order to further and develop the local tourism industry, an organized program of action involves the following:

1. A County survey of all natural and commercial facilities for recreation, updated through continuous review by the Greater Morehead City Chamber of Commerce.

2. A survey of outgoing tourists to determine reaction to facilities and to locate problems needing correction, as well as to ascertain the demand for facilities and services not available.

3. Specialized studies to gauge appeal of the area for specific categories of tourists: convention delegates, families with children, teenagers, young adults, senior citizens; enthusiasts of different activities; swimmers and bathers, fisherman, hunters, history buffs, avocational marine and biological naturalists, and the like.

4. Consideration of costs, sites, and feasibility for construction of a large convention hall.

5. A study of facilities available and needed for pleasure boats going through the Intracoastal Waterway or along the Coast; consideration of costs and expected return on investments in marinas.

6. A study of the feasibility of developing Shackelford Banks as a major resort; a report on effects for the County of extending the National Seashore Park from Hatteras to Portsmouth Island and Shackelford Banks.

7. Consideration of a Historic Zone in Beaufort, including restoration of outstanding structures and sites of the eighteenth and nineteenth century.

8. A publicity campaign to familiarize people with the County's attractions and facilities, particularly tourists in the New York - Florida stream. Completion of the tunnel at Norfolk will bring a heavy flow of East Coast tourists within a few miles of the County, and advertising will be needed to divert them to Carteret County.

9. Exploration of sties for camping, particularly sites of the Croatan National Forest near Bogue Sound.

10. Implementation of controls over future land use to ensure orderly development and to prevent junky commercial string developments which would downgrade the whole tourism industry.

F. Retirement Communities

A small number of older adults have migrated into the County in recent years. In two private developments, Sea Level and Gloucester, a range of facilities are available specifically for retired persons. The numerous coves and inlets along the shore represent potential sites for further developments of places or communities for the retired. A study of the economic costs and benefits of retired citizens is needed, on the basis of which active promotional efforts may be based.

G. New Industry

No general industry-hunting campaign is contemplated without considering the feasibility of particular industries. The aim is one of long-range growth and area upgrading. Marginal firms employing unskilled workers at low incomes may only sustain long-range stagnation. Boatbuilding, employing men with existing skills; processors of bulk goods for in-shipment or out-shipment from the Port of Morehead City; industries which combine local materials (e.g., lumber, fish, vegetables) with imported materials -- may be feasible. Wood technology, extraction of minerals from the ocean, and combination with petroleum or other imports could lead to the development of chemical or plastics industries. In any event, a feasibility study and consideration of the long-range impact would be required.

H. Transportation Facilities

Despite the fact that the County has an excellent Port facility at Morehead City, economic progress is retarded by poor transportation facilities. A study should be made of the feasibility of constructing

a central truck terminal. The greater ease of freight movement would be a positive asset for existing and potential industry. The Port of Morehead City would command considerably more business if it were linked by improved highways and trucking facilities to the industrial Piedmont region. North Carolina industries now make most of their shipments of imports and exports through Norfolk and Charleston -- imported legs, wool, and tobacco; in addition, machinery and foods generally go through other ports. Improvements of U.S. Highway 70 to the Piedmont could open the Port to heavier traffic, increasing local income and employment and encouraging warehousing and processing of goods.

I. Community Facilities

A program of new construction of larger, more modern schools is underway in the western half of the County. Construction of new school plants in the eastern half is needed. It is in the eastern area that education, income, employment, and housing levels are lagging, and better schools and higher-quality education are means to long-range improvement. A new hospital is contemplated in the Morehead City - Newport area.

J. Soil and Water Conservation Needs

According to a conservative need inventory for the County, approximately 4,689 acres of land need flood control and sediment drainage control work. Of this number of acres, about 4,500 must be treated through group action, in order to bring about the required improvement in the most economical, efficient, and effective way.

Included within the boundaries of the County are 187,609 acres which need drainage improvement. Of this number, approximately 55,500 acres can be improved best by group action.

Erosion is not a serious problem, but about 1,021 acres need the application of wind and water control practices - a small percent of this area, although not in farms, urgently needs to be protected.

There are in the County, according to the inventory, 194,756 acres which are suitable for tillage crop production and pasture, if properly treated. A large percentage of this acreage would be well suited for use as improved pasture, and 3,000 acres of this area consists of soils with color, texture, elevation, and other characteristics that make them especially well suited to intensive tillage and row crop farming.

There are three watersheds in the County, totaling over 101,550 acres, in which there is a possibility of project action under the provisions of PL 566. These watersheds are (1) White Oak River (Carteret County) containing about 48,000 acres. About 85% of the watershed is in woodland, 5% in saltwater marsh and 10% in cropland and pasture land. This watershed needs channel improvements for drainage and flood control.

(2) The Newport River - contains about 50,050 acres, of which about 3,000 are in crops or pasture. Drainage improvement is needed on 50% of the cropland and almost all of the woodland. About 600 acres of the cropland is frequently flooded.

(3) The North River - contains about 3,500 acres of which about 1,200 is cropland, 1,000 in woodland, and about 1,300 acres of salt-water marsh. Diking is needed to prevent flooding, and channel improvement work to provide better drainage.

If project action were undertaken, on each of the watersheds the wildlife habitat would be improved. For the White Oak and Newport Rivers the recreational facilities would be improved by providing access areas for boat launching and park facilities.

K. Forestry and Lumber Products

The stimulation of a greater interest among all local owners in utilizing all available assistance - Federal, State and Local - in forest stand improvement, fire control, disease prevention, and other improved forestry practices, is a goal for the proper development of forestry resources in Carteret County.

Carteret County has a long-felt and increasingly urgent need for additional market outlets for forest products. To satisfy this need, existing industries might be improved and enlarged and new ones established for more profits, new employment opportunities, and more effective use of forestry resources through manufacturing and selling. Items which should be considered are: charcoal from scrub hardwood, tobacco sticks, fence posts and other posts and poles, cross ties, handles for various hand tools, and sporting goods, such as bats, tennis racquets, and skis.

L. Agriculture

Carteret County is participating the North Carolina's five year agricultural opportunities program. One of the goals of this program is to raise agricultural income by $1,200,000 within the next five year period. It is planned to derive this income from an increased production and sale of soybeans, corn, strawberries, watermelons, hogs, beef cattle, poultry, eggs, milk, and honey. Although an increased farm income is the final goal, other goals within the program include the increased use of mechanized equipment on farm land and in farm homes, better marketing facilities, better farm services, the increased use of the results of agricultural research, and the encouragement of greater farm family participation in community problems.

Other goals include efforts to teach farmers better money and land management practices, looking toward more efficient use of land resources, as in improved drainage, lime application, sub-soiling, and reforestation. Efforts are also being made to secure better cooperation and a higher degree of activity of all agencies and groups working on farm problems.

M. Consequences of the Program

Well planned growth in tourism and developments of new fish product possibilities will not solve the County's economic problems, but they can remove some of the barriers of stagnation, particularly insofar as they become stable, year-round industries.

Elimination or reduction of seasonal unemployment would be the greatest assurances of improved income levels. The goal of adding 1,881 jobs during the decade to care for the projected population will not be accomplished immediately, but removal of the present barrier of inadequate public facilities and of instability in basic industries are the first steps.

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